

## Next Steps

- **Consult a tax professional** to find out if the credit would be beneficial for you.  
Remember, you need a federal income tax liability to benefit from the tax credit. Want to know what your tax liability was last year? Check your most recent tax return.  
  

Form you used	Line showing tax liability
1040A	Line 35
1040EZ	Line 10
1040	Line 61
- Visit **www.mnhousing.gov** to find a participating lender near you. **Ask your loan officer** if you qualify for the tax credit. You must apply for the tax credit before your mortgage closes.
- Attend a homebuyer education course as it may be required for some programs. To find a course, contact the Minnesota Homeownership Center at **www.hocmn.org**.



## Find out more about Minnesota Housing loan programs:

**Start Up** *First-time homebuyer loans*

**MCC** *First-time homebuyer tax credit*

**Step Up** *Repeat homebuyer and refinance loans*

**Fix Up** *Home improvement loans*

**Minnesota Housing finances**  
**affordable housing for low- and**  
**moderate-income households while**  
**fostering strong communities.**



## First-time homebuyers:

**Save up to**  
**\$2,000/year on**  
**your taxes!**

**Mortgage Credit Certificate**  
*First-time homebuyer tax credit*



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# Mortgage Credit Certificate *First-time homebuyer tax credit from Minnesota Housing*

*Minnesota Housing has been helping homebuyers finance homes for more than 40 years. We partner with a statewide network of approved lenders to offer safe and affordable home loans.*

## Why choose the homebuyer tax credit?

- Claim 35% of the mortgage interest you pay each year as a federal income tax credit, providing up to **\$2,000 per year** in tax savings.
- Combine the tax credit with an affordable Minnesota Housing mortgage and a Monthly Payment Loan for downpayment and closing costs.
- Reduce or eliminate mortgage insurance costs with our exclusive conventional loan options.

## How much money can I save?

To benefit from the tax credit, you must have an income tax liability. Savings vary, depending on your loan amount and interest rate.

### Example savings:

- \$175,000 loan at 4.375% interest rate
- Estimated savings over the life of the loan = \$44,000

You can use the tax credit for up to 30 years, or until you refinance, sell the home or move. You can also deduct the remaining 65% of the mortgage interest paid on your income taxes.

## To be eligible, you must:

- Be a first-time homebuyer (or have not owned a home in three years)
- Qualify for a home mortgage
- Meet income limits
- Plan to live in the home
- Have a federal income tax liability

Income Limits*			
Household	11-county metro area	Rochester MSA	Balance of state
1-2 Person	\$82,900	\$81,300	\$73,900
3 Person +	\$95,335	\$93,495	\$84,985

Home Cost Limits*		
Property Location:	11-county metro	Balance of state
	\$310,000	\$265,000

\*Subject to change

## Interest rates

Minnesota Housing offers affordable interest rates for our loans. Current rates can be found at **[www.mnhousing.gov](http://www.mnhousing.gov)** and are subject to change.



Find a lender near you at  
**[www.mnhousing.gov](http://www.mnhousing.gov)**



## Downpayment and Closing Cost Loan

Eligible borrowers can combine a Minnesota Housing mortgage and homebuyer tax credit with a downpayment/closing cost loan.

The **Monthly Payment Loan** has a maximum loan amount of 5% of the purchase price or \$5,000 (whichever is greater).

Requirements for downpayment/closing cost loans:

- Borrower must contribute \$1,000 or 1% of the purchase price, whichever is less.
- Borrower may receive only one Minnesota Housing downpayment and closing cost loan. Loans may be combined with other Community Seconds®.
- Must be fully repaid when the loan matures, is refinanced, or the property is sold or no longer owner-occupied.